



## Overstock.com Appears on '13-day' Regulation SHO Threshold List for 800 Trading Days

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Wonders when SEC will Enforce Regulation SHO

SALT LAKE CITY, May 8 /PRNewswire-Financial -- Overstock.com, Inc. (Nasdaq: OSTK) announces that yesterday marked the 800th trading day that the company has appeared on the Regulation SHO threshold list (see <http://www.nasdaqtrader.com/apply/regsho.aspx>).

Regulation SHO requires the U.S. stock exchanges to publish daily a list of companies whose stock had failures-to-deliver above a certain threshold. It also requires mandatory close-outs for open failures-to-deliver in threshold securities persisting for more than 13 days, with the aim that no security would appear on the threshold for any extended period. In fact, when it passed Regulation SHO, the Securities and Exchange Commission countered criticisms that the regulation had no teeth by claiming that companies would not remain on the list for more than 13 days.

Overstock.com chairman and chief executive officer Patrick Byrne commented, "While this may seem paradoxical, the facts can be reconciled. One need only understand that our capital markets have been hijacked: our settlement system no longer settles, our New York financial media no longer investigates, and our regulators no longer regulate. For further explanation, see the fine example of investigative journalism that appeared this week on DeepCapture.com."

SEC Chairman Christopher Cox noted at a March 4, 2008 open hearing that when companies are "ironically listed on Reg SHO's Threshold Security List for months and years at a time [there] is ample evidence that there is also fraud in the market that needs to be arrested." Chairman Cox continued, "Abusive naked short selling saps the confidence of investors and issuers who depend upon our markets to value securities in a fair, efficient, and orderly way."

Despite Regulation SHO's requirement that a clearing broker-dealer must close-out failures-to-deliver in a threshold security that have persisted for 13 consecutive days and despite Chairman Cox's observations, Overstock.com has now been on the Regulation SHO threshold list for 800 trading days. "Will the SEC ever enforce the close-out provisions of Regulation SHO or prosecute what Chairman Cox has called 'market manipulation that is clearly violative of the federal securities laws'?" asks Overstock.com chairman and chief executive officer Patrick Byrne. "After Overstock.com's more than three-year run on the Regulation SHO threshold list, I have my doubts. Yesterday's milestone gives new meaning to our customer service number: 1-800-THE BIG O."

"Eight hundred trading days is an unacceptably long time for any company to be on the Regulation SHO threshold list," said Jonathan Johnson, Overstock.com's senior vice president legal. "The SEC could easily remedy the situation by acting on its proposed rule to eliminate the options market maker exception and by requiring short-sellers to locate and borrow shares before selling them - rather than merely have a belief that they will be able to locate them at some point in the future. Overstock.com has been on the Regulation SHO threshold list nearly the entire time the list has been in existence. Clearly, merely publishing the threshold list, without active and meaningful enforcement, is not an effective deterrent against manipulative naked short selling."

Many companies, besides Overstock.com, continue to appear on the Regulation SHO threshold list for extended periods of time and, despite constant criticism from Members of Congress, the U.S. Chamber of Commerce, public companies, informed market experts and legions of investors, the SEC has been slow to adopt meaningful Regulation SHO reforms.

Overstock.com renews its calls for the SEC to eliminate quickly Regulation SHO's options market maker exception, to require short-sellers to locate and borrow shares before selling them, and to require the full and prompt disclosure of the aggregate failures-to-deliver for every company listed on the Regulation SHO threshold list. In addition, Overstock.com calls for the SEC to enforce the close-out requirements of Regulation SHO so that no failure-to-deliver ever persists for more than 13 days.

About Overstock.com

Overstock.com, Inc. is an online retailer offering brand-name merchandise at discount prices. The company offers its customers an opportunity to shop for bargains conveniently, while offering its suppliers an alternative inventory distribution channel. Overstock.com, headquartered in Salt Lake City, is a publicly traded company listed on the NASDAQ Global Market System and can be found online at <http://www.overstock.com>.

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This press release contains certain forward-looking statements within the meaning of Section 27A of the Securities Act of 1933 and Section 21E of the Securities Exchange Act of 1934. Such forward-looking statements include, but are not limited to, statements regarding the extent of the hijacking of the financial markets, whether the SEC will enforce the close-out provisions of Regulation SHO, and the effectiveness of the proposed remedies for abusive naked short selling. Our Form 10-K for the year ended December 31, 2007, our subsequent quarterly reports on Form 10-Q, or any amendments thereto, and our other subsequent filings with the Securities and Exchange Commission identify important factors that could cause our actual results to differ materially from those contained in our projections, estimates or forward-looking statements.

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